



**CITY OF SCOTTSDALE HOUSING BOARD
REGULAR MEETING
ONE CIVIC CENTER, 3rd FLOOR CONFERENCE ROOM
7447 E. INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
JANUARY 13, 2009**

PRESENT:

Gary Morgan, Chair
Nancy Cantor, Vice-Chair
Joe Campodall'Orto, Board Member
Denise Carroll, Board Member
Daniel Gottlieb, Board Member (left at 6:19 p.m.)
Kathleen Puchek, Board Member
Nick Thomas, Board Member

STAFF:

Malcolm Hankins, Code Enforcement Manager
Raun Keagy, Citizen & Neighborhood Resources General Manager
Paul Ludwick, Human Services Director

GUESTS:

Mike Fitz, Community Services of Arizona
Noah Schwartz, CEO, Community Services of Arizona

CALL TO ORDER/ROLL CALL:

Chair Morgan called the regular meeting of the Scottsdale Housing Board to order at 5:19 p.m. A formal roll call confirmed the members present as stated above.

1. REVIEW AND APPROVAL OF MINUTES OF DECEMBER 9, 2008 (Action)

Chair Morgan opined that meeting material emailed to him sometimes had print too small to read or was too lengthy to print and invited the Commissioners to discuss whether they would like staff to submit all meeting material by regular mail.

Discussion ensued regarding whether the Board Members liked the method meeting materials were submitted to them and whether they had problems receiving staff

emails. Chair Morgan and Board Members Campodall'Orto, Thomas, and Carroll requested hard copies of meeting materials be submitted to them by regular mail.

Mr. Hankins distributed copies of the following documents to be discussed during agenda item four:

1. Board Member Thomas' report on the Universal Housing Design concept presented at the 2008 Governor's Housing Conference.
2. Board Member Puchek's report on the Importance of the 5-Year Consolidated Plan and Strategy, the Annual Action Plan, and the Consolidated Annual Performance Evaluation Report as they relate to the Housing Board's activities.
3. Mr. Keagy's list of City staff contacts, Housing Strategy Update excerpts, and a list of suggested Housing Board priorities and objectives for 2009.

BOARD MEMBER THOMAS MOVED TO APPROVE THE DECEMBER 9, 2008 HOUSING BOARD REGULAR MEETING MINUTES. VICE-CHAIR CANTOR SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF SEVEN (7) TO ZERO (0).

2. DISCUSSION AND STATUS OF PROPOSED CSA PROJECT ON BELLEVIEW STREET (Discussion Only)

Chair Morgan recalled the Board's December 9, 2008 Bellevue project discussion and relayed its concern that the project was at a standstill.

He requested that the presenters explain the status of the funding granted by the Human Services Commission and the future planned for this project. Vice-Chair Cantor pointed out that the Bellevue project was now called SkyVista.

Mr. Fitz introduced himself as the Director of the Single Family Housing Initiatives at Community Services of Arizona (CSA). He introduced Noah Schwartz as the new CEO and President of CSA, noting that today was his seventh day in the position. Mr. Fitz explained that he had been filling in as temporary CEO at CSA since Jeff Hale left. He summarized that originally the Bellevue project proposal was to build townhomes, which they later found was not financially feasible. Before Mr. Hale left they had discussed changing it to a tax credit project wherein rental homes would transfer to home ownership at the end of 15 years.

Mr. Fitz recalled Board Members Thomas and Campodall'Orto visiting existing tax credit projects with him in December and stated that they could be designed to be an asset of the community. CSA had to return the original funding contract back to the City and then reapply for CDBG and home funding for the SkyVista project.

In response to Chair Morgan's inquiry, Mr. Fitz responded that the SkyVista project drawings would retain many aspects of the original Bellevue project. He elaborated that they would be requesting funding from the Human Services Commission (HSC) to acquire the eight remaining units CSA does not own on the property, along with CDBG funding to address infrastructure issues such as sewer taps.

Discussion ensued regarding the SkyVista project current requests of \$500,000 from the Home Funds and \$250,000 from CDBG being added to the \$351,000 previously granted by CDBG for the Belleview project to acquire four units. Mr. Fitz confirmed that the four units had already been purchased for the project.

In response to Chair Morgan's inquiry regarding whether the project consists of contiguous parcels or has missing sections, Mr. Fitz stated that only eight units were not currently owned by CSA. Vice-Chair Cantor explained that the eight-unit property was owned by a non-profit organization who recently found a relocation alternative for their current mentally handicapped tenants.

In response to Chair Morgan's inquiry as to whether the SkyVista project would include the tire company, Mr. Fitz responded no.

Board Member Thomas recommended that CSA's presentation to the Human Services Commission include a definitive action plan including a critical path and PERT chart displaying the major steps and timetable for the project.

Mr. Schwartz summarized that SkyVista was being presented as a tax credit project and he has not yet assessed whether the project makes sense as configured or if additional partners or financing was necessary. The tax credit application process does not begin until the end of the year.

Board Member Carroll expressed her concern that this was not one of CSA's priorities. Mr. Schwartz pointed out that CSA was the primary program provider for the state of Arizona, having over 2,000 units distributed amongst 42 projects throughout the state. He confirmed that SkyVista was in the top tier of the priority project list for CSA.

In response to Board Member Carroll's inquiry regarding roadblocks, Mr. Schwartz explained that funds were already invested in the project and CSA's mission was to develop a housing plan and critical path that creates local housing in a sustainable and financially feasible manner.

Board Member Thomas expressed his concern regarding the competition of non-profit organizations for funding by the Human Services Commission and suggested that CSA prepare a backup plan for the project parcels in case they do not receive the requested funding.

In response to Chair Morgan's inquiry regarding increased federal funding of the CDBG programs, Mr. Schwartz stated that they had not heard anything about increased funding.

Board Member Thomas recalled his recent meeting with HUD transition team members in Washington D.C. wherein they discussed President-Elect Obama's goal to increase funding to HUD programs addressing inner cities first, followed by impoverished areas.

Mr. Schwartz pointed out that operating subsidies had dropped 20% from the federal government Section 8 program and federal funding for rehabilitation had dropped by 80% over the last six years.

Board Member Puchek presented the City's five year plan, explaining that they only had a year and a half left to implement City Council's commitment to low income housing. She argued that funds rolled over into escrow and reprogrammed may not meet project goals in the future.

Vice-Chair Cantor reported that the cities of Mesa, Tempe, Chandler and Scottsdale had formed the East Valley Inter-City Housing Conversation which recently held a meeting attended by Paul Harris, LISC. Participants discussed obtaining additional support for the creation of affordable housing in the East Valley modeled after affordable housing being built in Glendale.

Discussion ensued regarding whether the current affordable housing market would experience the same downturn in funding as experienced during the 1990 recession.

Board Member Carroll stated that the Board was looking for a community project to support by increasing public excitement. Mr. Schwartz expressed his appreciation of the Board's offer of support and agreed to present the project plans once they were completed.

Chair Morgan explained that two Housing Board liaisons to the Human Services Commission would be asking CSA many questions about their request at the February 2, 2009 funding meeting. Vice-Chair Cantor recalled Don Couvillion, Vice-President of the Real Estate Development division of the ASU Foundation, expressing an interest in the CSA project.

Discussion followed regarding CSA's contractual obligation to return the \$351,000 funding to the CDBG program for reprogramming should the SkyVista project fail. Mr. Schwartz explained that whenever CSA has a failing project they either transfer ownership or locate a suitable partner to move the project forward, ensuring the availability of affordable housing.

Board Member Thomas reported that block grant funding would be shifting from county as a priority to inner cities due to the recent political changes.

Mr. Keagy apologized for arriving late and stated that he and Mr. Ludwick just returned from Mayor Lane's inauguration during the City Council meeting. He explained that Mr. Ludwick was attending the meeting to answer housing funding questions from the City's perspective.

Chair Morgan recalled that Mr. Ludwick had presented the five-year Plan on an annual basis to the Housing Board for discussion and approval by the Board. Mr. Ludwick invited the Board to appoint a liaison to the Human Services Commission.

Board Member Thomas reported that the Ironwood project was a well designed model for the SkyVista project that works. Board Member Campodall'Orto concurred with his comments, pointing out that SkyVista had some issues to work out, such as proximity to SkySong, alley abandonment, and utilities running through both the front and rear of the buildings.

Vice-Chair Cantor requested that CSA provide updates on the SkyVista project. Mr. Schwartz agreed to provide staff with a copy of the preliminary design concepts when available. He opined that photos of completed LEED-certified projects would be more informative than design concepts.

Vice-Chair Cantor recalled that the Belleview project design was drafted in conjunction with the ASU sustainable housing designed by the Stardust Foundation. Mr. Fitz reported that CSA's most recent projects were located in Kingman and Pinetop. Vice-Chair Cantor recalled seeing photos of the Pinetop project under construction.

Discussion ensued regarding current City collaborations with CSA on affordable housing projects and inviting Kroy Ekblaw to discuss development activity in the SkySong area at a future meeting.

Mr. Keagy explained that all Scottsdale development projects with the exception of single-family residential projects are required to go through the development review process.

Vice-Chair Cantor opined that Anthony Floyd, the Green Building Program Manager, should be considered as a liaison between CSA and the City when considering LEED-certified developments. Board Member Puchek pointed that any developer using federal funding must follow the NEPA guidelines and regulations.

Mr. Schwartz discussed CSA's goal to drive down costs associated with living in their homes by 15% through the inclusion of compact fluorescent lighting, meeting minimum ENERGY STAR requirements related to building positioning and landscaping alterations.

Further discussion reviewed programs funding green building designs and solar credits. Vice-Chair Cantor recalled a town hall meeting held last summer at SkySong regarding alternative energy.

Mr. Fitz thanked the Board for their support of CSA's project and all the suggestions made during tonight's meeting. Chair Morgan suggested they stay for Mr. Ludwick's presentation and Board Member Gottlieb announced that he had to leave the meeting early.

3. DISCUSSION AND POSSIBLE BOARD ACTION ON APPOINTMENT OF HOUSING BOARD MEMBER(S) TO REVIEW APPLICATIONS FOR FUNDING IN CONJUNCTION WITH THE HUMAN SERVICES COMMISSION (Action)

Mr. Ludwick reported that the City allocates annually approximately \$1.5 million from the Community Development Block Grant and Home programs to a variety of public service and housing activities.

The Human Services Commission is responsible for managing the CDBG program and making recommendations to City Council. The Commission has recognized the Housing Board's interest in the housing activities processed through the funding application process. Over the past few years the HSA has invited Housing Board representatives to attend their public hearings and discussions to prioritize funding

requests. He invited the Chair to nominate two Board representatives to attend the three HSA meetings for this year's funding process.

Staff will distribute binders of applications and a list of staff questions before explaining the evaluation process at the HSC's January 22, 2009 meeting. The applicant presentation meeting is scheduled for February 2, 2009.

In the past Housing Board representatives had chosen not to attend the General Funds and Scottsdale Cares series of hearings. He suggested that they attend the February 4, 2009 meeting since it will relate to homeless and domestic violence centers associated with housing services.

Mr. Ludwick elaborated that on February 19, 2009 the HSC would prioritize the funding requests made at both sets of public hearings, followed by drafting recommendations for City Council. He explained that several hours of presentation review and evaluation scoring preparation would be required for this session.

Discussion ensued regarding Vice-Chair Cantor and Board Member Thomas' HSC liaison experiences in 2008. Vice-Chair Cantor pointed out that they only attended two meetings last year and opined that Mr. Ludwick's presentation was very informative.

Chair Morgan recalled previously participating in the HSC funding process and invited Board members to volunteer to serve as liaisons to the Human Services Commission.

Board Member Carroll stated that she was unable to volunteer due to a trial scheduled for January 22. Board Member Puchek declined the invitation due to her work schedule, while volunteering to assist the Board liaisons with application review outside of the HSC meetings.

Board Member Thomas and Vice-Chair Cantor volunteered to serve once again as Board liaisons to the HSC. Board Member Thomas recalled that the repeating question that came up during the 2008 presentations was, "Where do the Scottsdale residents benefit from this particular program?"

Mr. Ludwick explained that fund requests related to homelessness and domestic violence must be proportionate to the population of Scottsdale as it relates to the rest of the County. He agreed to email an HSC meeting schedule to Mr. Keagy for distribution to the Board.

Chair Morgan appointed Board Member Thomas and Vice-Chair Cantor as the Housing Board's liaisons to participate in the Human Services Commission funding process and the Board concurred.

Chair Morgan expressed their appreciation of the HSC's invitation to participate in the CDBG funding process and stated that the Board looked forward to Mr. Ludwick's upcoming five-year Plan presentation.

4. **DISCUSSION OF SETTING PRIORITIES AND OBJECTIVES FOR THE UPCOMING YEAR (Action)**

Mr. Keagy reported that at tonight's inauguration Mayor Lane expressed his desire to ensure that all Boards and Commissioners were doing something truly meaningful that produces tangible results. The Mayor also recommended scheduling a strategic planning retreat to be attended by City Council next month in order to establish a policy agenda for the City Manager.

Mr. Keagy explained that the McDowell Road corridor and south Scottsdale were the top two priorities to be addressed. Mr. Little has requested that staff provide lists of agendized topics that have not moved forward for discussion and direction to staff by City Council.

Mr. Keagy recalled that he had set aside agendizing Board Member Carroll's previous suggestion to create a subcommittee for reviewing the housing strategy updated in the 1999 Policy until after City Council's retreat.

In response to Board Member Puchek's inquiry regarding whether the Board was mandated to follow the requirements of the 1999 document that created the Housing Board or the 2005 5-Year Consolidated Plan submitted to HUD, Mr. Keagy explained that the General Plan was the only mandated document adopted by City Council.

In response to Chair Morgan's inquiry regarding which section of the General Plan he was referencing, Mr. Keagy stated that it was the update on the implementation strategy for creation and preservation of high quality, safe and affordable housing.

Vice-Chair Cantor noted that the Housing Board was never involved in the preparation of an update submitted to Jan Dolan on November 20, 2001 containing housing recommendations and goals to be met by the City. Mr. Keagy suggested forwarding this topic on to Mr. Ludwick for input.

He pointed out that housing specifics such as the rehabilitation of 42 multi-units in Casa Cibola or Villa Ventura referenced in the 1999 Strategy updated in 2001 were actual objectives that have been met.

Mr. Keagy opined that although the creation of affordable housing has not been addressed very well, the community has done an excellent job of preserving existing affordable housing. Discussion ensued regarding affordable housing lost when rental apartments were converted into condominiums, in addition to the low income housing lost along the canal banks of downtown Scottsdale.

Chair Morgan opined that it was more difficult to initiate new housing projects such as Belleview in comparison to preserving existing affordable housing.

Board Member Puchek explained that she emailed Mr. Keagy a document titled "The Caper" demonstrating how much the City accomplished in 2008 regarding low income housing. Board Member Thomas suggested locating the current affordable housing statistics for Scottsdale.

Vice-Chair Cantor recalled previous discussions regarding educating the public about affordable housing and requested clarification as to which of the following documents was most important for the Housing Board to work on in 2009:

1. The original strategy for the creation and preservation of high quality, safe and affordable housing approved by City Council on July 6, 1999.
2. Update to the housing strategy dated November 20, 2001 which was presented to Jan Dolan.
3. Five-Year Consolidated Plan.
4. Housing Element of the General Plan.
5. Housing Board Bylaws.

Mr. Keagy opined that the Housing Board should be considering the housing strategy adopted by City Council without any ordinances or resolutions.

Chair Morgan argued that the adopting City Council no longer exists and suggested that the current City Council review the housing strategy.

Board Member Thomas suggested inquiring whether City Council desired operational recommendations on how to implement the housing strategy.

Mr. Keagy explained that the City Manager would be requiring the Planning Department to include data regarding how a project supports the General Plan in future staff reports.

Mr. Keagy summarized that the first goal was to clarify the priority and correlation of the five documents mentioned above and whether the Board should spend time updating them. Once the Board obtains City Council's support to update one or all of the five documents, the second goal would be education and the implementation of a marketing plan.

Board Member Carroll opined that the Housing Board was a community liaison and suggested that they educate the community on current housing projects rather than creating policy. She requested a clear definition of the Board's role.

Mr. Keagy pointed out that meeting on the first Tuesday of every month prevents the Board from having important discussions with City officials and recommended changing their monthly meeting date.

Vice-Chair Cantor recommended the preparation of an implementation policy for the Housing Element of the General Plan. She also requested an update on the status of the Board's condominium conversion white paper previously submitted to City Council. Discussion ensued regarding the need to increase citizen support of Board projects such as the condominium conversion white paper through the development of a marketing plan.

Mr. Keagy recalled last month's discussions regarding contacting City Council members on an individual basis and suggested that the Board hold off until after the City Council strategic workshop.

Board Member Campodall'Orto recalled Mayor Lane's plan to hold a summit within the next 90 days where residents and business owners would be invited to discuss how to increase south Scottsdale's population.

5. ELECTION OF CHAIR AND VICE-CHAIR FOR 2009 (Action)

Chair Morgan invited Board Members to present nominees for the Chair and Vice-Chair positions. Board Member Thomas nominated Board Member Campodall'Orto as the new Chair of the Board, elaborating that he had the presence and background to fill the position.

Board Member Carroll suggested Chair Morgan continue as Chair in 2009 with Board Member Campodall'Orto filling the Vice-Chair position. Chair Morgan declined the offer, stating that he was burned out and noted that the new Chair should take more time to improve communication between the Board and staff.

Board Member Campodall'Orto nominated Board Member Puchek as new Chair of the Board and she declined the offer due to time constraints. She offered to assist the new Chair by taking on assignments in order to lighten the load.

Chair Morgan invited Board Member Campodall'Orto to relay which organizations he has served with and he recalled serving two terms as a member of the Building Advisory Board of Appeals and also serving as a member of the Green Building Advisory Committee.

In response to Chair Morgan's inquiry regarding whether she would like to serve as Chair, Vice-Chair Cantor responded no, explaining that she could do more for the Board in other capacities.

Board Member Thomas nominated Board Member Campodall'Orto to serve as the new 2009 Chair of the Housing Board and Board Member Puchek nominated Vice-Chair Cantor as the new 2009 Vice-Chair. Chair Morgan confirmed that there were no other nominations.

BOARD MEMBER THOMAS MOVED TO APPROVE THE NOMINATION OF BOARD MEMBER CAMPODALL'ORTO AS THE 2009 CHAIR OF THE HOUSING BOARD, VICE-CHAIR CANTOR SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER GOTTLIEB LEFT EARLY.

BOARD MEMBER PUCHEK MOVED TO APPROVE THE NOMINATION OF VICE-CHAIR CANTOR AS THE 2009 VICE-CHAIR OF THE HOUSING BOARD. BOARD MEMBER CARROLL SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER GOTTLIEB LEFT EARLY.

6. **STAFF AND COMMISSION UPDATES (A.R.S. § 38-431.02(K))**

Mr. Keagy stated that he had no staff updates at this time. Vice-Chair Cantor announced that she had accepted City Council's recent invitation to serve another term on the Housing Board.

Chair Morgan informed Mr. Keagy that the he and Board Members Thomas, Campodall'Orto, and Carroll previously discussed requesting hard copies of meeting materials be submitted to them by regular mail. Mr. Keagy agreed to continue sending Board Members the minutes electronically and all other documentation via regular mail.

7. **PUBLIC COMMENT (A.R.S. § 38-431.02(K))**

No members of the public wished to address the Board.

8. **FUTURE AGENDA ITEMS**

Board Member Campodall'Orto noted that a few issues discussed in last month's minutes required additional discussion and recommended they be agendized for future discussion.

Discussion ensued regarding switching the Board's meeting date in order to invite City officials to future meetings and to allow Board members to participate in future City Council meetings. Mr. Keagy agreed to agendize the topic for voting at the February meeting.

ADJOURNMENT:

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:37 p.m.

Respectfully submitted,
A/V Tronics, Inc.